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86- 5399x/1

Congress of the United States

Committee on Foreign Affairs

House of Representatives
 Washington, DC 20515

December 2, 1986

JOHN J. BRADY, JR.
 CHIEF OF STAFF

The Honorable William J. Casey
 Director of Central Intelligence
 Central Intelligence Agency
 Washington, D.C. 20505

Dear Director Casey:

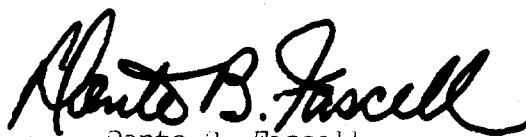
By letter of November 18, 1986, the Committee on Foreign Affairs requested your appearance to testify on the Iran initiative and related matters on Wednesday, December 10, 1986, at 9:30 a.m. in Room 2172 Rayburn House Office Building.

Because of the importance of the subject matter of the hearing, the Committee will require all witnesses to testify under oath and will require that all written submissions by witnesses be subscribed and sworn. All witnesses may, of course, be accompanied by counsel.

Enclosed is a copy of the Rules of the Committee on Foreign Affairs and a copy of clause 2 of Rule XI of the House of Representatives.

With best wishes, I am

Sincerely yours,



Dante B. Fascell
 Chairman

DBF:DA;baf

Enclosure

CC: Peter J. Wallison, Counsel to the President

RULES OF THE HOUSE OF REPRESENTATIVES

Rule XI, cl. 2.

§ 711-§ 712

Calling and interrogation of witnesses

(j)(1) Whenever any hearing is conducted by
 § 711. any committee upon any measure
 or matter, the minority party Members on the committee shall be entitled, upon request to the chairman by a majority of them before the completion of the hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

(2) Each committee shall apply the five-minute rule in the interrogation of witnesses in any hearing until such time as each member of the committee who so desires has had an opportunity to question each witness.

Paragraph (j)(1) was contained in section 114(b) of the Legislative Reorganization Act of 1970 (84 Stat. 1140) and was made a part of the rules on January 22, 1971 (H. Res. 5, 92d Congress, p. 144). Paragraph (j)(2) was added to the rules on that latter date.

Investigative hearing procedures

(k)(1) The chairman at an investigative hearing shall announce in an opening
 § 712. statement the subject of the investigation.

(2) A copy of the committee rules and this clause shall be made available to each witness.

(3) Witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclu-

sion from the hearings; and the committee may cite the offender to the House for contempt.

(5) Whenever it is asserted that the evidence or testimony at an investigatory hearing may tend to defame, degrade, or incriminate any person,

(A) such testimony or evidence shall be presented in executive session, notwithstanding the provisions of clause 2(g)(2) of this Rule, if by a majority of those present, there being in attendance the requisite number required under the rules of the committee to be present for the purpose of taking testimony, the committee determines that such evidence or testimony may tend to defame, degrade, or incriminate any person; and

(B) the committee shall proceed to receive such testimony in open session only if a majority of the members of the committee, a majority being present, determine that such evidence or testimony will not tend to defame, degrade, or incriminate any person. In either case the committee shall afford such person an opportunity voluntarily to appear as a witness, and receive and dispose of requests from such person to subpoena additional witnesses.

(6) Except as provided in subparagraph (5), the chairman shall receive and the committee shall dispose of requests to subpoena additional witnesses.

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RULES OF THE HOUSE OF REPRESENTATIVES

Rule XI. cl. 2.

§ 712

(7) No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the committee.

(8) In the discretion of the committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(9) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the committee.

The provisions of paragraph (k) were first incorporated into the rules on March 23, 1955, pp. 3569, 3585. The requirement of paragraph (k)(2) that a copy of committee rules be furnished to each witness was added January 22, 1971 (H. Res. 5, 92d Congress, p. 144), and the former requirement of paragraph (k)(9) that a witness must pay the cost of a transcript copy of his testimony was eliminated effective January 3, 1975 (H. Res. 988, 93d Congress, p. 34470). Paragraph (k)(5) was amended by H. Res. 5 (96th Cong. Jan. 15, 1979, pp. 7-16) to permit a committee to hear testimony asserted to be defamatory in executive session upon a determination by a majority of those present that such testimony is indeed defamatory, degrading or incriminating. The requirements of clause 2(g) (1) and (2) and of 2(m)(2)(A) of this rule that a majority of the committee or subcommittee shall constitute a quorum for the purposes of closing meetings or hearings or issuing subpoenas have been construed to require, under cl. 2(k)(7) of this rule, that a majority shall likewise constitute a quorum to release or make public any evidence or testimony received in any closed meeting or hearing and any other executive session record of the committee or subcommittee. See also clauses 3(a) and 7(c)(2) of Rule XLVIII, which provide that executive session material transmitted by the Intelligence Committee to another committee of the House becomes the executive session material of the recipient committee by virtue of the nature of the material and the injunction of clauses 7 (c), (d) and (e) of that rule which prohibit disclosure of information provided to committees or Members of the House except in a secret session.

STATEMENT BY DCI TO NBC NEWS FOLLOWING TESTIMONY BEFORE
HOUSE APPROPRIATIONS COMMITTEE, 8 December 1986

P I regret that some, notably Senator Lugar, have been reckless in charging or implying illegalities or improprieties in CIA support to the President's Iranian initiative. These allegations are irresponsible and false.

I am deeply disappointed that a U.S. Senator of Dick Lugar's stature and reputation has seen fit to rush to judgment without the benefit of the information which I and other CIA officers are making available to our oversight committees. I am confident that those members who do have access to it will agree that the Agency and I have acted in a lawful and proper manner.



CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D. C. 20505

PUBLIC AFFAIRS

Phone: (703) 482-7676

8 December 1986

Mr. David R. Gergan
Editor, U.S. NEWS & WORLD REPORT
2400 N Street, N.W.
Washington, D.C. 20037

Dear Dave:

U.S. NEWS & WORLD REPORT, in its 15 December edition, repeated a WASHINGTON POST allegation that profits from the Iran arms sales were deposited in a CIA-managed account and were "dispersed not only to the contras in Central America, but to the rebels fighting Soviet troops in Afghanistan." U.S. NEWS, however, neglected to publish CIA's on-the-record refutation of the POST's assertion.

We are surprised by the omission. Most major media, including THE WASHINGTON POST, clearly reported our denial which was carried by the news services to which U.S. NEWS subscribes. One can only speculate on U.S. NEWS' motives in declining to give its readers the same balanced view of the situation that the rest of the media chose to give their viewers and subscribers.

Your readers should know that on 3 December 1986 the Agency issued the following statement:

"The only funds related to the Iranian program that passed through Agency hands were the \$12 million owed to the Pentagon for arms. The funds received from the Iranians were segregated when received and were passed on promptly to the Pentagon. The Agency received no profits from any activities with the Iranians, nor were any funds which passed through Agency hands from the Iranians diverted to the contras or any other covert action programs."

Sincerely,

George V. Lauder
George V. Lauder
Director, Public Affairs